

INDUSTRIAL SECURITY CONFERENCE
27 September 1979

I guess I'm as responsible as anyone for all of you being here in the sense of having stressed better security with government _____ as Executive Branch and Capitol Hill and in industry, as much as any other single thing I have tried to stress in my two and a half years in this office. It unfortunately began because of a security problem in industry, but I am quick to confess that it has been transformed more to a problem in the government. A problem of espionage _____ very ashamed of here, and a continuing problem of leaks makes your job and ours in helping to protect this country increasingly difficult.

I am with you today because I want to thank you for what I see as a tremendous improvement on your side over the last two years. To pledge to you we are working as hard as we can to match your improvement on our side and to remind us both that eternal vigilance is the _____ security. We both have no reason to other than maintain a very strong and active security program in each of our environments. Beyond that, it is only when we work together cooperatively, as you are here in these two days of conference, and any other contacts you have with _____ people that we will make progress and whip this problem. I think you have made progress because you have given a lot more visibility to security issues. Because yourselves, your superiors supplied high level attention to it and, I hope, because there has been a more frequent and a more forthright dialogue between you and us for security benefits.

Let me assure you that a real threat does exist. Today, in viewing a counterintelligence case, what we call a Soviet illegal-- somebody who is illegally in our country--not being operated by the local KGB but being operated from Moscow directly. In this particular case there was high espionage against the government as such. In fact, there was a real interest in one of our principal aerospace military/industrial complex corporations. In this case it wasn't espionage even _____ kind to assess the attitudes and outlooks of some of the senior members of the corporation. What I am saying is that in some sense today scientific and technological intelligence on American industry is perhaps equally or more important to the Soviet Union, thereby giving you a bigger problem overall, than is there espionage against our military or our other _____.

I think we all appreciate that the best defense is the way we select and handle our people. We recruit, screen, check on by investigations, reinvestigations, counsel and, above all, maintaining a program of employee security awareness. There is just no substitute for that. _____, I think, it is critical that we recognize the role of the immediate supervisor plays in security. Bob Gambino cannot ensure security in this Agency, you cannot in your corporations by yourselves. In the Kampiles case _____, the Edwin Moore case of 1976, another CIA employee who attempted but didn't succeed in espionage.

You have to say that the only way those problems could have been stopped, short of a repolygraph program or something that would happen to have brought it out, would be for the immediate supervisor to

have seen aberrations in behavior and I think that is very much the case of Lee. It has to be somebody who has intimate, day-to-day contact with these individuals, who saw that there were signs of immaturity that hadn't appeared before, there were signs of unrealistic ambition, personality change, something was going on. I am not condemning the supervisors in any of those three cases because it is easy in hindsight to look back and say you should have seen that. I guess I am condemning in the Edwin Moore case. I look at that record that it is too long and too complete _____. The records in the Boyce/Lee case and the Kampiles case are over a rather shorter period of time. You and I all know the problem is every employee probably goes through some kind of a slump, a dip in his behavior, in his activity. One never knows precisely what his problems are at home or elsewhere and clearly we don't kick people out on the street because they have displayed something unusual for a short period of time. We watch them, keep our eye on them, give them a fair chance plus the supervisor has got to be the one who reports to the security team _____ looked into more carefully.

Above all, I think I would have to try to remind you that it is just a normal standard security procedure that we need to emphasize; awareness of our employees, the quick censure of those who violate the "need to know" principle that _____ security procedures, and that nothing is ever superseded _____ to be censured when they ignore compartmentation and expose documents _____ people who don't have the right compartmental clearances. You have had the discussion of APEX have you not, Bob?

APEX is an effort that we have made to over the past year to create a new codeword system in light of the fact that our present one is very complex. It is drawn up with two separate strands, the communications intelligence strand and the photographic satellite reconnaissance strand. I really hope that when we implement APEX, and we are rather close to it now--nothing is easy in a bureaucracy, struggling to get the last i's dotted and t's crossed, but we're close--I hope that we'll simplify all of our problems as security officers and a great step forward. I hope, particularly, that it will help you in the industrial side because we will end up with one set of manuals, one set of rules and a rather, hopefully, simplified set of classification categories. We will also encourage and support the downgrading into Secret and Top Secret and Confidential a great deal of material that now carries codeword. It not only will simplify our lives but also (inaudible)

We want to help you do your job in any way that we can. That is why we have asked you to come here. The clock has already told me that (inaudible). We are appreciative of that and _____ try to do what we can with them. We appreciate the help you give us and firmly believe that if you continue in what you have been doing so cooperatively to work together as a team here and keep good dialogue going, keep exchanging ideas on what _____ that we can reduce the probability of serious damage to security _____ immeasurably. It will be of benefit to you and the corporations. It will be of benefit to the country and its overall security program. I would like very much to hear any suggestions (inaudible) comments in particular to how we can serve you better in doing your job.

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1600-1630 Thursday 27 September 79

- Welcome

- ° Important we get together like this - communicate - 2 way - understand problems/issues
- ° We both recognize - major security problems in IC and industry essentially same
- ° Therefore can learn from each other.

- Congratulations genuine progress over past year

- ° Security audits reflect fewer infractions

° Because

- more visibility to problems

- more high level interest

- better dialogue

- more effective security oversight (by you and us)

- Important - keep trends toward improvement

- ° Real threat exists

- significant foreign intel presence in U.S. - growing

- not confined to Washington, D.C.

- prime targets: IC and related industry

- ° Solid interest in science and technology

- some respects calls for stronger defense in industry than some areas of government.

- Best defense - still related to personnel more than security devices (although they remain very important)

1) #1 challenge: get and hold the right people

- ° must receive heaviest resource investment

i.e. screening

investigations and reinvestigation
probationary employee reviews
counseling

security awareness programs

2) #2 challenge: helping/supporting individual supervisor

- ° recent experience (Boyce/Lee and Kampiles)

early signals alert supervisor to problems

- ° immaturity
- ° unrealistic ambition
- ° gullability
- ° personality change

unlikely to be seen by security officer - needs supervisor's help/awareness.

Plus - can't ignore the usual security measures

- ° need to know
- ° compartmentation.

APEX

- As said - doing excellent job, but

- ° must continue to work to

- increase security awareness
- exchange information
- innovate better solutions to security problems

Want help, a
Appreciate your help

Exchange info - innovate

- ° Appreciate your being here
- ° We want to help you in every way we can
- ° To benefit of both IC and industry - and certainly to our nation - that we learn all we can from each other.

- Questions.

